

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

AHB Tooling & Machinery, Inc.

Michigan Manufacturing Technology Center

At Ahb Tooling & Machinery, Quality Opens Doors To New Business

Client Profile:

AHB Tooling & Machinery, Inc., formerly known as American Hack & Band, Inc., is an industrial supply company specializing in the distribution of abrasives, band saw blades, coolants, carbide inserts, saw machines, mills, lathes, drill presses, and sanders. In 1995, Clay Lafave founded AHB in the city of Saginaw, Michigan, primarily to supply the wood and metal cutting industry. In January 1999, Kevin Hess, a salesman with over 20 years of experience, purchased the company. Under new management, AHB has added many new product lines. The company now employs approximately 20 people and has established an aggressive growth plan for the next five years.

Situation:

With the "Big 3" auto makers mandating ISO certification for their suppliers, AHB Tooling & Machinery (AHB) began to look seriously at ISO 9001:2000 registration. With ISO registration, AHB could retain current customers and enter new markets to compete with much larger companies. The initiative would also help create an internal structure that increases overall efficiency, preparing the company for rapid growth. AHB first heard about the Michigan Manufacturing Technology Center (MMTC)'s Northeast Regional office, a NIST MEP network affiliate, through its association with the Michigan Economic Development Corporation (MEDC). After applying for and receiving assistance through the Economic Development Job Training (EDJT) grant, the company was ready to move ahead with its ISO initiative.

Solution:

MMTC's Northeast Regional office, headquartered at Saginaw Valley State University (SVSU), served as AHB's liaison, assisting with EDJT grant paperwork and arranged for RKP Quality Consulting, an MMTC partner, to provide training. RKP's coaching brought valuable skills to the company and proved helpful in keeping the process on track. AHB streamlined processes through the internal structure of the quality system, eliminating extra steps and reducing the customer order process. As a result, customer satisfaction levels increased, and AHB began operating at a higher level of efficiency. Under the EDJT grant, AHB was also eligible to receive technology, computer, leadership, and other training for its employees. The improved employee morale and increased job satisfaction among employees more than paid for the cost of the training. AHB achieved certification to the ISO 9001:2000 standard in May



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2002.

Undergoing the process of ISO certification indirectly affected many other facets of AHB's organization. Developing vision, mission, and quality statements formalized the identity and purpose of AHB Tooling & Machinery, giving employees a shared company focus and common goals. In addition, establishing formal performance measurables and requiring them to be monitored on a periodic basis allows executive management to keep a pulse on the efficiency of operations and sustain a high level of quality in the products and services produced. The monitoring process also allows for quick reaction time and the ability to implement proactive changes leading to internal process improvements. ISO certification also helped to solidify business relationships with supply partners and has been instrumental in securing an additional high profile supplier.

Results:

Achieved ISO 9001:2000 certification.

On-time delivery regularly approaches 100 percent.

Customer satisfaction soared to 98 percent.

Increased manufacturing production efficiency by 20 percent.

Reduced inventory levels by 15 percent.

Eliminated employee turnover.

ISO certification led to new business with a high profile supplier.

Testimonial:

"The knowledge and skill of the Michigan Manufacturing Technology Center helped our company transition to the ISO quality system and make great strides in employee development. This return on employee investment will help sustain the business and open doors to future opportunities."

Mike Gleason, Controller